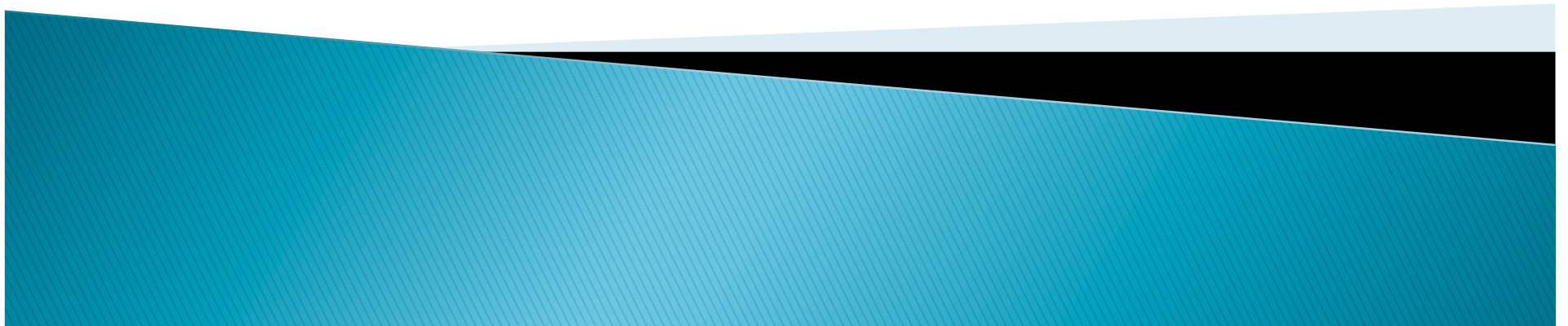




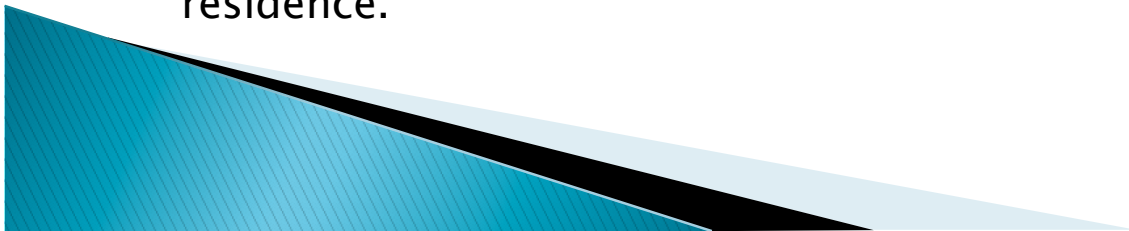
Long Term Housing Compliance

Heather Lagrone
Texas General Land Office



Default

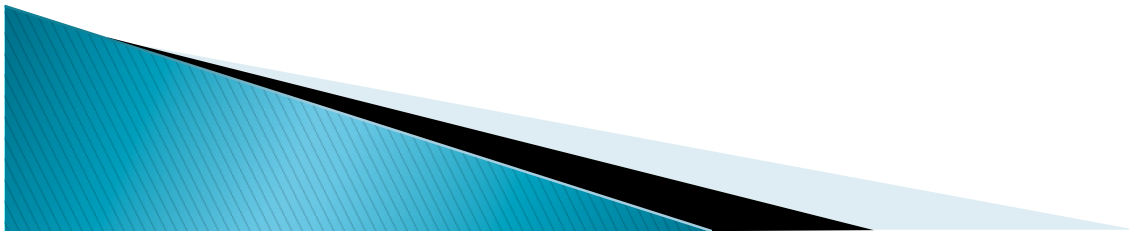
- ▶ A default exists under this Note if any of the following events (hereinafter "Events of Default") occur:
- ▶ (a) Borrower fails to comply with the terms of this Note, the Certification of Principal Residence, the Due on Sale and Transfer of Property Disclosure, or any other documents executed in connection with this Note;
- ▶ (b) the note payable to any superior lien holder is paid in full according to its terms;
- ▶ (c) any superior mortgage is refinanced in whole or in part or is assumed by a new borrower without the consent of the Lender and the Texas General Land Office;
- ▶ (d) all or any part of the Property, or any interest in it, is leased, transferred, or foreclosed, except that this clause (d) will not apply to:
 - (i) a transfer (not upon death) between joint tenants in the Property who are also co-makers, of this Unsecured Note, or
 - (ii) a transfer by devise, descent or operation of law upon the death of a joint tenant in the Property if at least one other joint tenant who is also a maker of the Unsecured Note remains alive and continues to occupy the Property as his or her principal residence; or
- ▶ (e) all or part of the Property is sold; or
- ▶ (f) the Borrower ceases to occupy the Property as his or her principal residence.



Default

Further:

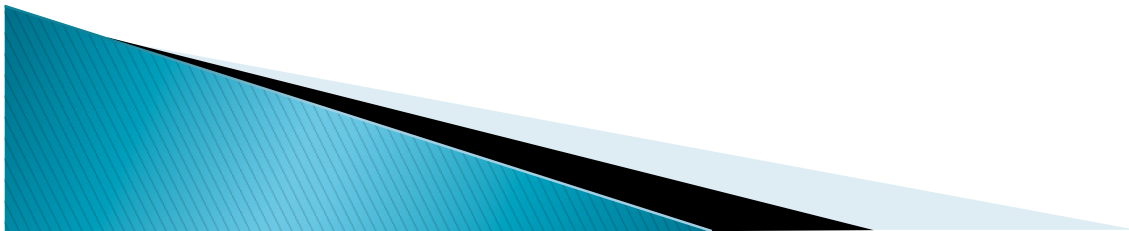
- ▶ Borrower agrees to furnish Lender on or before January 31st of each year during the term of the Note and/or on Lender's request evidence satisfactory to Lender that all taxes and assessments on the Property have been paid when due.
- ▶ Borrower further agrees to continue to maintain flood insurance and hazard insurance on the Property and will pay all insurance premiums for such insurance coverage not otherwise paid under the terms of any document or agreement with Lender in connection with this Unsecured Note. Borrower shall furnish to Lender evidence satisfactory to Lender that annual insurance premiums for flood and hazard insurance on the Property and for annual renewals of said insurance have been paid when due.



Monitoring

To ensure compliance with the requirements of the 13.09 executed with the homeowner, the Subrecipient will perform an annual check to confirm all promissory note commitments are in place through the term of the 13.09.

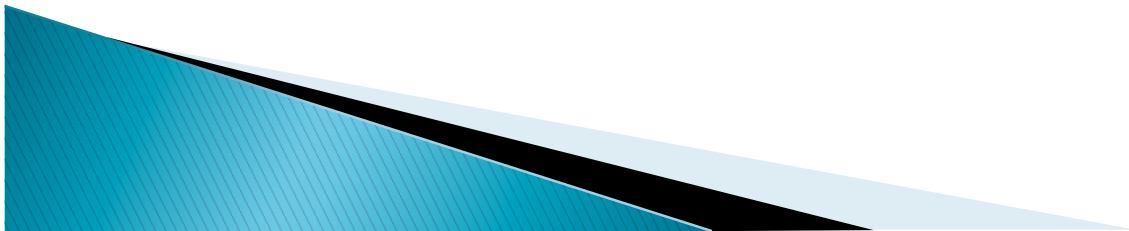
The Subrecipient should use the GLO Monitoring Process but alternates can be proposed for GLO approval.



Proposed Monitoring Process

Every year the Subrecipient will:

1. Send a letter with a self-certification form attached requesting each program participant certify compliance with all conditions of the 13.09.
2. For participants that do not respond to the initial letter the Subrecipient will send via certified mail a second request.
3. If the participant still does not respond or the response is incomplete, the Subrecipient must make a phone call or onsite visit to get the information completed.
4. The Subrecipient will provide a summary report to the GLO of the findings of this process no less than annually.





Thank You Q & A

Heather Lagrone, Program Manager

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